

EXHIBIT B

GARVEY SCHUBERT BARER
100 Wall Street, 20th Floor
New York, New York 10005
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Andrew J. Goodman
agoodman@gsblaw.com
*Attorneys for Defendants L.H. Rich Companies,
N.R. Investment Associates, M.R. Investment
Associates, Jack Polack, and James Polack*

Hearing Date: TBD
Response Deadline: TBD

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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SECURITIES INVESTOR PROTECTION	:
CORPORATION,	: Adv. Pro. No. 08-01789 (BRL)
	:
Plaintiff-Applicant,	: SIPA LIQUIDATION
	:
v.	: (Substantively Consolidated)
	:
BERNARD L. MADOFF INVESTMENT	:
SECURITIES, LLC,	:
	:
Defendant.	:
-----X	
In re:	:
	:
BERNARD L. MADOFF,	:
	:
Debtor.	:
-----X	
IRVING H. PICARD, Trustee for the Liquidation	:
of Bernard L. Madoff Investment Securities LLC,	:
	: Adv. Pro. No. 10-05371 (BRL)
Plaintiff,	:
	:
v.	:
	:
L.H. RICH COMPANIES, N.R. INVESTMENT	:
ASSOCIATES, M.R. INVESTMENT	:
ASSOCIATES, JACK POLACK, and JAMES	:
POLACK,	:
Defendants.	:
-----X	

**NOTICE OF MOTION BY DEFENDANTS TO DISMISS
COMPLAINT PURSUANT TO RULE 12(b)**

PLEASE TAKE NOTICE that, upon this Notice and the accompanying Memorandum of Law, the Affidavit of David Stern, and the Declaration of Andrew J. Goodman, Esq. and exhibits thereto, defendants L.H. Rich Companies, N.R. Investment Associates, M.R. Investment Associates, Jack Polack and James Polack (“Defendants”) by and through their undersigned counsel, will move before the Honorable Burton R. Lifland, United States Bankruptcy Judge, at the United States Bankruptcy Court, the Alexander Hamilton Customs House, One Bowling Green, New York, New York, 10004-1408 at a date **To Be Determined** pending any mediation under the applicable Case Management Order, for entry of an order, pursuant to Rule 12(b)(5) and Rule 12(b)(6) of the Federal Rules of Civil Procedure, made applicable to this proceeding by Rule 7012 of the Federal Rules of Bankruptcy Procedure, dismissing the Complaint filed on or about December 9, 2010 by Irving H. Picard (the “Trustee”), as trustee for the liquidation of Bernard L. Madoff Investment Securities LLC, against the Defendants.

PLEASE TAKE FURTHER NOTICE that a hearing on the Motion will be held on a date **To Be Determined** pending any mediation under the applicable Case Management Order, at the United States Courthouse, One Bowling Green, New York, New York.

PLEASE TAKE FURTHER NOTICE that written objection, if any, to the relief requested by the Defendants must be filed with the Clerk of the United States Bankruptcy Court, One Bowling Green, New York, New York 10004-1408, pursuant to Local Bankruptcy Rule 9006-1, by no later than 3:00 p.m. on **To Be Determined** pending any mediation under the applicable Case Management Order, (with a courtesy copy delivered to the Chambers of the Honorable Burton R. Lifland), and must be served upon the undersigned counsel for Defendants. Any objections must specifically state the interest that the objecting party has in these proceedings and the specific basis of any objections to the Defendants’ motion.

Dated: New York, New York
May 10, 2011

GARVEY SCHUBERT BARER

By: 

Andrew J. Goodman, Esq. (AG-3406)
*Attorneys for Defendants L.H. Rich
Companies, N.R. Investment Associates,
M.R. Investment Associates, Jack Polack,
and James Polack*
100 Wall Street, 20th Floor
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AFFIDAVIT OF DAVID STERN

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v.	:
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Plaintiff,	:
v.	:
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L.H. RICH COMPANIES, N.R. INVESTMENT	:
ASSOCIATES, M.R. INVESTMENT	:
ASSOCIATES, JACK POLACK, and JAMES	:
POLACK,	:
Defendants.	:
-----X	

AFFIDAVIT OF DAVID STERN

DAVID STERN, being duly sworn, deposes, and says:

1. I am the President of Aria Management Company. I submit this Affidavit in support of the Motion to Dismiss Plaintiff's Complaint Under Rule 12(b) filed by defendants L.H. Rich Companies, N.R. Investment Associates, M.R. Investment Associates, Jack Polack and James Polack in the above-captioned action.

2. I have personal knowledge of the facts contained in this Affidavit, unless stated on information and belief, and am competent to testify as to such facts.

3. Aria Management Company is located at 1515 Fifth Avenue, Suite 104 in Moline, Illinois, 61265 and is the sole occupant of this location. Aria Management Company has performed bookkeeping and some accounting and/or tax services for defendants L.H. Rich Companies, N.R. Investment Associates, and M.R. Investment Associates. In performing such duties, I have become aware of certain facts related to the business formation, operations and locations of defendants L.H. Rich Companies, N.R. Investment Associates, and M.R. Investment Associates.

4. Based on information and belief, L.H. Rich Companies is a Washington State general partnership.

5. L.H. Rich Companies does not have any officer, or any managing or general agent, or any agent otherwise authorized to accept service of process at 1515 Fifth Avenue, Suite 104, Moline, IL 61265.

6. Based on information and belief, L.H. Rich Companies is an existing, ongoing, and solvent general partnership.

7. Based on information and belief, N.R. Investment Associates is a Washington State general partnership.

8. N.R. Investment Associates does not have any officer, or any managing or general agent, or any agent otherwise authorized to accept service of process at 1515 Fifth Avenue, Suite 104, Moline, IL 61265.

9. Based on information and belief, M.R. Investment Associates is a Washington State general partnership.

10. M.R. Investment Associates does not have any officer, or any managing or general agent, or any agent otherwise authorized to accept service of process at 1515 Fifth Avenue, Suite 104, Moline, IL 61265.

11. Based on information and belief, defendant James Polack is a resident of the State of Washington.

12. I am not an officer, a managing agent, a general agent of defendants L.H. Rich Companies, N.R. Investment Associates, or M.R. Investment Associates.

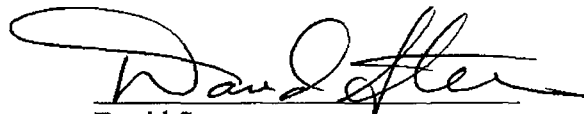
13. I am not an agent authorized by appointment or by law to receive service of process on behalf of defendants L.H. Rich Companies, N.R. Investment Associates, or M.R. Investment Associates.

14. As President of Aria Management Company, I am aware that no person employed at Aria Management Company is an officer, a managing agent, a general agent of defendants L.H. Rich Companies, N.R. Investment Associates, or M.R. Investment Associates.

15. As President of Aria Management Company, I am aware that no person employed at Aria Management Company is an agent authorized by appointment or by law to receive service of process on behalf of defendants L.H. Rich Companies, N.R. Investment Associates, or M.R. Investment Associates.

16. Copies of the envelopes which contained the Summons, Complaint, and related court documents in the above-captioned action are attached hereto as Exhibit A.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.


David Stern

Sworn to before me this
9 day of May 2011


Notary Public

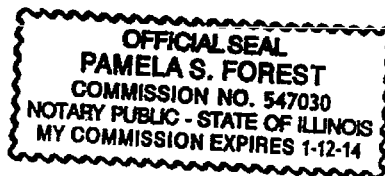


Exhibit A

DONLI
Re: Irvi
Bernard L. Madoff Investment Securities LLC
P.O. Box 899
Madison Square Station
New York, NY 10010



L. H. RICH COMPANIES
1515 FIFTH AVE SUITE 104
MOLINE IL 61265

1043 10-05371 003864 008549

IMPORTANT OPEN PROMPTLY
DATED MATERIAL ENCLOSED

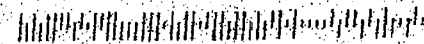
DONLIN, RECANO & COMPANY, INC.
Re: Irving H. Picard, Trustee for the Liquidation of
Bernard L. Madoff Investment Securities LLC
P.O. Box 899
Madison Square Station
New York, NY 10010



N. R. INVESTMENT ASSOCIATES
1515 FIFTH AVE SUITE 104
MOLINE IL 61265

1043 10-05371 003865 008550

IMPORTANT OPEN PROMPTLY
DATED MATERIAL ENCLOSED



DONLIN
Re: Irvin
Bernard L. Madoff Investment Securities LLC
P.O. Box 899
Madison Square Station
New York, NY 10010



M. R. INVESTMENT ASSOCIATES
1515 FIFTH AVE SUITE 104
MOLINE IL 61265

1043 10-05371 003866 008551

IMPORTANT OPEN PROMPTLY
DATED MATERIAL ENCLOSED

DECLARATION OF ANDREW J. GOODMAN

GARVEY SCHUBERT BARER
100 Wall Street, 20th Floor
New York, New York 10005
Tel: (212) 431-8700
Fax: (212) 334-1278
Andrew J. Goodman
agoodman@gsblaw.com
*Attorneys for Defendants L.H. Rich Companies,
N.R. Investment Associates, M.R. Investment
Associates, Jack Polack, and James Polack*

Hearing Date: TBD
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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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SECURITIES INVESTOR PROTECTION	:
CORPORATION,	: Adv. Pro. No. 08-01789 (BRL)
	:
Plaintiff-Applicant,	: SIPA LIQUIDATION
v.	:
	: (Substantively Consolidated)
BERNARD L. MADOFF INVESTMENT	:
SECURITIES, LLC,	:
	:
Defendant.	:
-----X	
In re:	:
	:
BERNARD L. MADOFF,	:
	:
Debtor.	:
-----X	
IRVING H. PICARD, Trustee for the Liquidation	:
of Bernard L. Madoff Investment Securities LLC,	:
	: Adv. Pro. No. 10-05371 (BRL)
Plaintiff,	:
v.	:
	:
L.H. RICH COMPANIES, N.R. INVESTMENT	:
ASSOCIATES, M.R. INVESTMENT	:
ASSOCIATES, JACK POLACK, and JAMES	:
POLACK,	:
Defendants.	:
-----X	

**DECLARATION OF ANDREW J. GOODMAN, ESQ. IN SUPPORT OF DEFENDANTS'
MOTION TO DISMISS COMPLAINT PURSUANT TO RULE 12(b)**

ANDREW J. GOODMAN, under penalty of perjury, declares the following to be true and correct:

1. I am a member of the Bar of this Court and an owner of the firm Garvey Schubert Barer, counsel of record for defendants L.H. Rich Companies, N.R. Investment Associates, M.R. Investment Associates, Jack Polack and James Polack ("Defendants").

2. I submit this declaration in support of documents concerning Defendants' Motion to Dismiss Pursuant to Rule 12(b) and referenced in the accompanying Memorandum of Law in Support of Defendant's Motion to Dismiss the Complaint Pursuant to Rule 12(b), filed herewith.

3. Attached as Exhibit A hereto is a true and correct copy of the Complaint filed by the Trustee in this action on or about December 9, 2010.

4. Attached as Exhibit B hereto is a true and correct copy of the Affidavit of Service filed by the Trustee herein on March 15, 2011, Docket No. 4 in this Adversary Proceeding.

5. Attached as Exhibit C hereto is a true and correct copy of the Death Certificate of Jack Polack, with the social security number redacted, showing Mr. Jack Polack died on January 12, 1998.

6. The sole Affidavit of Service that has been filed in this case is attached hereto as Exhibit B pertaining to defendants L.H. Rich Companies, N.R. Investment Associates, and M.R. Investment Associates. No Affidavit of Service has been filed in this action related to defendants Jack Polack and James Polack.

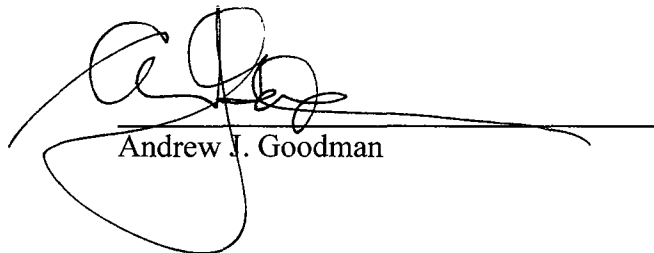
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7. Attached as Exhibit D hereto are true and correct copies of the Trustee's Exhibits A, B, and C that were attached to the Trustee's (First) Amended Complaint filed August 6, 2009 in Picard v. Merkin, Adv. Proc. No. 09-1182, Docket No. 10.

I declare under penalty of perjury that the foregoing is true and correct. Executed on May 10, 2011.



Andrew J. Goodman

Exhibit A

Baker & Hostetler LLP

45 Rockefeller Plaza
New York, NY 10111
Telephone: (212) 589-4200
Facsimile: (212) 589-4201

David J. Sheehan

Marc E. Hirschfield

Richard J. Bernard

Geraldine E. Ponto

Marc Skapof

*Attorneys for Irving H. Picard, Trustee for the
Substantively Consolidated SIPA Liquidation of
Bernard L. Madoff Investment Securities LLC and Bernard L. Madoff*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

Adv. Pro. No. 08-01789 (BRL)

SIPA LIQUIDATION

(Substantively Consolidated)

In re:

BERNARD L. MADOFF,

Debtor.

IRVING H. PICARD, Trustee for the Liquidation
of Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

L. H. RICH COMPANIES, N. R. INVESTMENT
ASSOCIATES, M. R. INVESTMENT
ASSOCIATES, JACK POLACK, and JAMES
POLACK,

Defendants.

Adv. Pro. No. 10- ~~05371~~ (BRL)

COMPLAINT

Irving H. Picard (the "Trustee"), as Trustee for the liquidation of the business of Bernard L. Madoff Investment Securities LLC ("BLMIS") under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa, *et seq.* ("SIPA"),¹ and the substantively consolidated estate of Bernard L. Madoff individually ("Madoff"), by and through his undersigned counsel, for his complaint (the "Complaint"), states as follows:

NATURE OF PROCEEDING

1. This adversary proceeding arises from the massive Ponzi scheme perpetrated by Madoff. Over the course of the scheme, there were more than 8,000 client accounts at BLMIS. In early December 2008, BLMIS generated client account statements for its approximately 4,900 open client accounts. When added together, these statements purport that clients of BLMIS had approximately \$65 billion invested with BLMIS. In reality, BLMIS had assets on hand worth a small fraction of that amount. On March 12, 2009, Madoff admitted to the fraudulent scheme and pled guilty to 11 felony counts, and was sentenced on June 29, 2009 to 150 years in prison. The within defendants L.H. Rich Companies, N.R. Investment Associates, and M.R. Investment Associates (collectively "Defendants"), received avoidable transfers from BLMIS.

2. Defendants were beneficiaries of this Ponzi scheme. Since December 11, 2002, Defendants received the amount of \$5,550,000 from BLMIS. The Trustee's investigation has revealed that \$4,050,000 of this amount represented fictitious profits from the Ponzi scheme. Accordingly, Defendants have received \$4,050,000 of other people's money. Upon information and belief, the within defendants Jack Polack and James Polack ("Subsequent Transferee Defendants") received subsequent transfers of the avoidable transfers referenced above. To the extent the funds transferred from BLMIS were for the benefit of the Subsequent Transferee

Defendants, Subsequent Transferee Defendants are the initial transferees of such transfers and are included in the definition of Defendants for purposes of the allegations herein. This action is brought to recover the fictitious profit amount so that this customer property can be equitably distributed among all of the victims of BLMIS.

3. This adversary proceeding is brought pursuant to sections 78fff(b), 78fff-1(a) and 78fff-2(c)(3) of SIPA, sections 105(a), 544, 548(a), 550(a) and 551 of title 11 of the United States Code (the "Bankruptcy Code"), the New York Fraudulent Conveyance Act (New York Debtor and Creditor Law § 270 *et seq.* (McKinney 2001) ("DCL")) and other applicable law, for avoidance of fraudulent conveyances in connection with certain transfers of property by BLMIS to or for the benefit of Defendants. The Trustee seeks to set aside such transfers and preserve and recover the property for the benefit of BLMIS' defrauded customers.

JURISDICTION AND VENUE

4. This is an adversary proceeding commenced before the same Court before whom the main underlying SIPA proceeding, No. 08-01789 (BRL) (the "SIPA Proceeding"), is pending. The SIPA Proceeding was originally brought in the United States District Court for the Southern District of New York as *Securities Exchange Commission v. Bernard L. Madoff Investment Securities LLC et al.*, No. 08 CV 10791 (the "District Court Proceeding") and has been referred to this Court. This Court has jurisdiction over this adversary proceeding under 28 U.S.C. § 1334(b) and 15 U.S.C. §§ 78eee(b)(2)(A) and (b)(4).

5. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (H) and (O).

6. Venue in this district is proper under 28 U.S.C. § 1409.

¹ For convenience, future reference to SIPA will not include "15 U.S.C."

DEFENDANTS

7. Defendant L.H. Rich Companies is a general partnership that was, upon information and belief, formed under the laws of the state of Illinois. Its principal place of business is located at 1515 Fifth Avenue, Suite 104, Moline, Illinois 61265. Defendant holds a BLMIS account in the name, "L.H. Rich Companies," with the account address reported as 1515 Fifth Avenue, Suite 104, Moline, Illinois 61265,

8. Upon information and belief, Defendant N.R. Investment Associates is a general partnership that maintains its principal place of business at 1515 Fifth Avenue, Suite 104, Moline, Illinois 61265 and a general partner of Defendant L.H. Rich Companies.

9. Upon information and belief, Defendant M.R. Investment Associates is a general partnership that maintains its principal place of business at 1515 Fifth Avenue, Suite 104, Moline, Illinois 61265 and a general partner of Defendant L.H. Rich Companies.

10. Upon information and belief, Subsequent Transferee Defendant Jack Polack is an individual who is the general partner and trustee of N.R. Investment Associates.

11. Upon information and belief, Subsequent Transferee Defendant James Polack is an individual who is the general partner and trustee of M.R. Investment Associates.

BACKGROUND, THE TRUSTEE AND STANDING

12. On December 11, 2008 (the "Filing Date"),² Madoff was arrested by federal agents for violation of the criminal securities laws, including, *inter alia*, securities fraud, investment adviser fraud, and mail and wire fraud. Contemporaneously, the Securities and

² Section 7811(7)(B) of SIPA states that the filing date is "the date on which an application for a protective decree is filed under 78eee(a)(3)," except where the debtor is the subject of a proceeding pending before a United States court "in which a receiver, trustee, or liquidator for such debtor has been appointed and such proceeding was commenced before the date on which such application was filed, the term 'filing date' means the date on which such proceeding was commenced." 15 U.S.C. § 7811(7)(B). Thus, even though the application for a protective decree was filed on December 15, 2008, the Filing Date in this action is December 11, 2008.

Exchange Commission ("SEC") filed a complaint in the District Court which commenced the District Court Proceeding against Madoff and BLMIS. The District Court Proceeding remains pending in the District Court. The SEC complaint alleged that Madoff and BLMIS engaged in fraud through the investment advisor activities of BLMIS.

13. On December 12, 2008, The Honorable Louis L. Stanton of the District Court entered an order appointing Lee S. Richards, Esq. (the "Receiver") as receiver for the assets of BLMIS.

14. On December 15, 2008, pursuant to section 78eee(a)(4)(A) of SIPA, the SEC consented to a combination of its own action with an application of the Securities Investor Protection Corporation ("SIPC"). Thereafter, pursuant to section 78eee(a)(4)(B) of SIPA, SIPC filed an application in the District Court alleging, *inter alia*, that BLMIS was not able to meet its obligations to securities customers as they came due and, accordingly, its customers needed the protections afforded by SIPA.

15. Also on December 15, 2008, Judge Stanton granted the SIPC application and entered an order pursuant to SIPA (the "Protective Decree"), which, in pertinent part:

a. appointed the Trustee for the liquidation of the business of BLMIS pursuant to section 78eee(b)(3) of SIPA;

b. appointed Baker & Hostetler LLP as counsel to the Trustee pursuant to section 78eee(b)(3) of SIPA; and

c. removed the case to this Court pursuant to section 78eee(b)(4) of SIPA.

By this Protective Decree, the Receiver was removed as Receiver for BLMIS.

16. By orders dated December 23, 2008 and February 4, 2009, respectively, the Bankruptcy Court approved the Trustee's bond and found that the Trustee was a disinterested

person. Accordingly, the Trustee is duly qualified to serve and act on behalf of the estate of BLMIS.

17. At a Plea Hearing on March 12, 2009 in the case captioned *United States v. Madoff*, Case No. 09-CR-213(DC), Madoff pled guilty to an eleven-count criminal information filed against him by the United States Attorneys' Office for the Southern District of New York. At the Plea Hearing, Madoff admitted that he "operated a Ponzi scheme through the investment advisory side of [BLMIS]." Plea Allocation of Bernard L. Madoff at 23, *United States v. Madoff*, No. 09-CR-213 (DC) (S.D.N.Y. March 12, 2009) (Docket No. 50). Additionally, Madoff asserted "[a]s I engaged in my fraud, I knew what I was doing [was] wrong, indeed criminal." *Id.* Madoff was sentenced on June 29, 2009 to 150 years in prison.

18. On August 11, 2009, a former BLMIS employee, Frank DiPascali, pled guilty to participating in and conspiring to perpetuate the Ponzi scheme. At a Plea Hearing on August 11, 2009 in the case entitled *United States v. DiPascali*, Case No. 09-CR-764 (RJS), DiPascali pled guilty to a ten-count criminal information. Among other things, DiPascali admitted that the fictitious scheme had begun at BLMIS since at least the 1980s. Plea Allocation of Frank DiPascali at 46, *United States v. DiPascali*, No. 09-CR-764 (RJS) (S.D.N.Y. Aug. 11, 2009) (Docket No. 11).

19. As the Trustee appointed under SIPA, the Trustee is charged with recovering and paying out customer property to BLMIS' customers, assessing claims, and liquidating any other assets of the firm for the benefit of the estate and its creditors. The Trustee is in the process of marshalling BLMIS' assets, and the liquidation of BLMIS' assets is well underway. However, such assets will not be sufficient to reimburse the customers of BLMIS for the billions of dollars that they invested with BLMIS over the years. Consequently, the Trustee must use his authority

under SIPA and the Bankruptcy Code to pursue recovery from customers who received preferences and/or payouts of fictitious profits to the detriment of other defrauded customers whose money was consumed by the Ponzi scheme. Absent this or other recovery actions, the Trustee will be unable to satisfy the claims described in subparagraphs (A) through (D) of SIPA section 78fff-2(c)(1).

20. Pursuant to section 78fff-1(a), the Trustee has the general powers of a bankruptcy trustee in a case under the Bankruptcy Code in addition to the powers granted by SIPA pursuant to SIPA section 78fff(b). Chapters 1, 3, 5 and subchapters I and II of chapter 7 of the Bankruptcy Code apply to this proceeding to the extent consistent with SIPA.

21. Pursuant to sections 78fff(b) and 78fff(7)(B) of SIPA, the Filing Date is deemed to be the date of the filing of the petition within the meaning of section 548 of the Bankruptcy Code and the date of the commencement of the case within the meaning of section 544 of the Bankruptcy Code.

22. The Trustee has standing to bring these claims pursuant to section 78fff-1(a) of SIPA and the Bankruptcy Code, including sections 323(b) and 704(a)(1), because, among other reasons:

- a. Defendants received "Customer Property" as defined in 15 U.S.C. §78fff(4);
- b. BLMIS incurred losses as a result of the claims set forth herein;
- c. BLMIS' customers were injured as a result of the conduct detailed herein;
- d. SIPC has not reimbursed, and statutorily cannot fully reimburse, all customers for all of their losses;
- e. the Trustee will not be able to fully satisfy all claims;

f. the Trustee, as bailee of customer property, can sue on behalf of the customer bailors;

g. the Trustee is the assignee of claims paid, and to be paid, to customers of BLMIS who have filed claims in the liquidation proceeding (such claim-filing customers, collectively, "Accountholders"). As of the date hereof, the Trustee has received multiple express unconditional assignments of the applicable Accountholders' causes of action, which actions could have been asserted against Defendants and Subsequent Transferee Defendants. As assignee, the Trustee stands in the shoes of persons who have suffered injury in fact and a distinct and palpable loss for which the Trustee is entitled to reimbursement in the form of monetary damages. The Trustee brings this action on behalf of, among others, those defrauded customers of BLMIS who invested more money in BLMIS than they withdrew; and

h. SIPC is the subrogee of claims paid, and to be paid, to customers of BLMIS who have filed claims in the liquidation proceeding. SIPC has expressly conferred upon the Trustee enforcement of its rights of subrogation with respect to payments it has made and is making to customers of BLMIS from SIPC funds.

THE FRAUDULENT PONZI SCHEME

23. Founded in 1959, BLMIS began operations as a sole proprietorship of Madoff and later, effective January 2001, formed as a New York limited liability company wholly owned by Madoff. Since in or about 1986, BLMIS operated from its principal place of business at 885 Third Avenue, New York, New York. Madoff, as founder, proprietor, chairman, and chief executive officer, ran BLMIS together with several family members and a number of additional employees. BLMIS was registered with the SEC as a securities broker-dealer under section 15(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78o(b). By that registration, BLMIS

is a member of SIPC. BLMIS had three business units: investment advisory (the "IA Business"), market making and proprietary trading.

24. For certain accounts in the IA Business, BLMIS purported to participate in a capital appreciation/depreciation strategy, depending on whether the customer sought to generate gains or losses. For example, the strategy was executed by either purporting to purchase small groups of securities near lows and then purporting to sell those same securities at highs, or by purporting to short-sell securities near highs and then purporting to repurchase those securities near lows.

25. For other accounts, Madoff described the IA Business' strategy as a "split-strike conversion" strategy. Madoff promised these clients that their funds would be invested in a basket of common stocks within the S&P 100 Index, which is a collection of the 100 largest U.S. publicly traded companies. The basket of stocks would be intended to mimic the movement of the S&P 100 Index. Madoff asserted that he would carefully time purchases and sales to maximize value, but this meant that the clients' funds would intermittently be out of the market, at which times they would purportedly be invested in U.S. issued securities and money market funds. The second part of the split-strike conversion strategy was the hedge of such purchases with option contracts. Madoff purported to purchase and sell S&P 100 Index option contracts that closely corresponded with the stocks in the basket, thereby controlling the downside risk of price changes in the basket of stocks.

26. Although clients of the IA Business received monthly or quarterly statements purportedly showing the securities that were held in -- or had been traded through -- their accounts, as well as the growth of and profit from those accounts over time, the trades reported on these statements were a complete fabrication. The security purchases and sales depicted in

the account statements virtually never occurred and the profits reported were entirely fictitious. At his Plea Hearing, Madoff admitted that he never in fact purchased any of the securities he claimed to have purchased for customer accounts. *See* Plea Allocution of Bernard L. Madoff at 3, *United States v. Madoff*, No. 09-CR-213 (DC) (S.D.N.Y. March 12, 2009) (Docket No. 50). Indeed, based on the Trustee's investigation to date and with the exception of isolated individual trades for certain parties other than Defendants, there is no record of BLMIS having cleared any purchase or sale of securities on behalf of the IA Business at the Depository Trust & Clearing Corporation, the clearing house for such transactions.

27. Prior to his arrest, Madoff assured clients and regulators that he conducted all trades on the over-the-counter market after hours. To bolster that lie, Madoff periodically wired tens of millions of dollars to BLMIS' affiliate, Madoff Securities International Ltd. ("MSIL"), a London based entity substantially owned by Madoff and his family. There are no records that MSIL ever used the wired funds to purchase securities for the accounts of the IA Business clients.

28. Additionally, based on the Trustee's investigation to date, there is no evidence that BLMIS ever purchased or sold any of the options that Madoff claimed on customer statements to have purchased and sold.

29. For all periods relevant hereto, the IA Business was operated as a Ponzi scheme and Madoff and his co-conspirators concealed the ongoing fraud in an effort to hinder, delay or defraud other current and prospective customers of BLMIS. The money received from investors was not set aside to buy securities as purported, but instead was primarily used to make the distributions to – or payments on behalf of – other investors. The money sent to BLMIS for investment, in short, was simply used to keep the scheme going and to enrich Madoff, his

associates and others, including Defendants, until such time as the requests for redemptions in December 2008 overwhelmed the flow of new investments and caused the inevitable collapse of the Ponzi scheme.

30. The payments to investors constituted an intentional misrepresentation of fact regarding the underlying accounts and were an integral and essential part of the fraud. The payments were necessary to validate the false account statements, and were made to avoid detection of the fraud, to retain existing investors and to lure other investors into the Ponzi scheme.

31. During the scheme, certain investors requested and received distributions of the so-called "profits" listed for their accounts which were nothing more than fictitious profits. Other investors, from time to time, redeemed or closed their accounts, or removed portions of purportedly available funds, and were paid consistently with the statements they had been receiving. Some of those investors later re-invested part or all of those withdrawn payments with BLMIS.

32. When payments were made to or on behalf of these investors, including Defendants, the falsified monthly statements of accounts reported that the accounts of such investors included substantial gains. In reality, BLMIS had not invested the investors' principal as reflected in customer statements. In an attempt to conceal the ongoing fraud and thereby hinder, delay or defraud other current and prospective investors, BLMIS paid to or on behalf of certain investors the inflated amounts reflected in the falsified financial statements, including principal and/or fictitious profits.

33. BLMIS used the funds deposited from new investments to continue operations and pay redemption proceeds to or on behalf of other investors and to make other transfers. Due

to the siphoning and diversion of new investments to fund redemptions requested by other investors, BLMIS did not have the funds to pay investors on account of their new investments. BLMIS was able to stay afloat only by using the principal invested by some clients to pay other investors or their designees.

34. In an effort to hinder, delay or defraud authorities from detecting the fraud, BLMIS did not register as an Investment Advisor until September 2006.

35. In or about January 2008, BLMIS filed with the SEC a Uniform Application for Investment Adviser Registration. The application represented, *inter alia*, that BLMIS had 23 customer accounts and assets under management of approximately \$17.1 billion. In fact, in January 2008, BLMIS had approximately 4,900 active client accounts with a purported value of approximately \$65 billion under management.

36. Not only did Madoff seek to evade regulators, Madoff also had false audit reports "prepared" by Friebling & Horowitz, a three-person accounting firm in Rockland County, New York. Of the two accountants at the firm, one was semi-retired and living in Florida for many years prior to the Filing Date.

37. At all times relevant hereto, the liabilities of BLMIS were billions of dollars greater than the assets of BLMIS. At all relevant times, BLMIS was insolvent in that (i) its assets were worth less than the value of its liabilities; (ii) it could not meet its obligations as they came due; and (iii) at the time of the transfers, BLMIS was left with insufficient capital.

THE TRANSFERS

38. According to BLMIS' records, an account (No. 1ZB250) was maintained with BLMIS, as set forth on Exhibit A (the "Account"). Upon information and belief, for the Account, a Customer Agreement, an Option Agreement, and/or a Trading Authorization Limited to Purchases and Sales of Securities and Options (collectively, the "Account Agreements") were

executed and delivered to BLMIS at BLMIS' headquarters at 885 Third Avenue, New York, New York.

39. The Account Agreements were to be performed in New York, New York through securities trading activities that would take place in New York, New York. The Account was held in New York, New York, and funds were sent to BLMIS and/or to BLMIS' account at JPMorgan Chase & Co., Account #xxxxxxxxxx1703 (the "BLMIS Bank Account") in New York, New York for application to the Account and the purported conducting of trading activities. Between the date the Account was opened and the Filing Date, deposits for application to the Account were made to BLMIS through checks and/or wire transfers into the BLMIS Bank Account and/or received inter-account transfers from other BLMIS accounts.

40. During the six years prior to the Filing Date, BLMIS made transfers (collectively, the "Transfers") to Defendants totaling \$4,050,000 in fictitious profits from the Ponzi scheme. The Transfers received by Defendants constitute non-existent profits supposedly earned in the Account, but, in reality, they were other people's money. The Transfers were made to or for the benefit of Defendants and are set forth in Columns 10 and 11 on Exhibit B annexed hereto.

41. The Transfers that are avoidable and recoverable under sections 544(b), 550(a)(1) and 551 of the Bankruptcy Code, applicable provisions of SIPA, particularly SIPA section 78fff-2(c)(3), and applicable provisions of N.Y. CPLR 203(g) (McKinney 2001) and DCL sections 273 – 279 (McKinney 2001) total \$4,050,000 and are referred to hereafter as the "Six Year Transfers." See Exhibit B, Column 11. The Transfers that are avoidable and recoverable under sections 548(a), 550(a)(1) and 551 of the Bankruptcy Code and applicable provisions of SIPA, particularly SIPA section 78fff-2(c)(3), total \$1,800,000 and are referred to hereafter as the "Two Year Transfers." See Exhibit B, Column 10.

42. On information and belief, some or all of the Transfers were subsequently transferred by Defendants to Subsequent Transferee Defendants (collectively, the "Subsequent Transfers").

43. The Subsequent Transfers, or the value thereof, are recoverable from Subsequent Transferee Defendants pursuant to §550(a) of the Bankruptcy Code.

44. The Trustee's investigation is ongoing and the Trustee reserves the right to (i) supplement the information regarding the Transfers, Subsequent Transfers and any additional transfers and (ii) seek recovery of such additional transfers.

45. To the extent that any of the avoidance and/or recovery counts may be inconsistent with each other, they are to be treated as being pled in the alternative.

COUNT ONE
FRAUDULENT TRANSFER – 11 U.S.C. §§ 548(a)(1)(A), 550(a) AND 551

46. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

47. Each of the Two Year Transfers was made on or within two years before the Filing Date.

48. Each of the Two Year Transfers constituted a transfer of an interest of BLMIS in property within the meaning of section 101(54) of the Bankruptcy Code and pursuant to section 78fff-2(c)(3) of SIPA.

49. Each of the Two Year Transfers was made by BLMIS with the actual intent to hinder, delay or defraud some or all of BLMIS' then existing and/or future creditors.

50. Each of the Two Year Transfers constitutes a fraudulent transfer avoidable by the Trustee pursuant to section 548(a)(1)(A) of the Bankruptcy Code and recoverable from Defendants pursuant to section 550(a) of the Bankruptcy Code and section 78fff-2(c)(3) of SIPA.

51. As a result of the foregoing, pursuant to sections 548(a)(1)(A), 550(a), and 551 of the Bankruptcy Code and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Two Year Transfers, (b) directing that the Two Year Transfers be set aside, and (c) recovering the Two Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS.

COUNT TWO
FRAUDULENT TRANSFER – 11 U.S.C. §§ 548(a)(1)(B), 550(a) AND 551

52. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

53. Each of the Two Year Transfers was made on or within two years before the Filing Date.

54. Each of the Two Year Transfers constituted a transfer of an interest of BLMIS in property within the meaning of section 101(54) of the Bankruptcy Code and pursuant to section 78fff-2(c)(3) of SIPA.

55. BLMIS received less than reasonably equivalent value in exchange for each of the Two Year Transfers.

56. At the time of each of the Two Year Transfers, BLMIS was insolvent, or became insolvent as a result of the Two Year Transfers.

57. At the time of each of the Two Year Transfers, BLMIS was engaged in a business or a transaction, or was about to engage in a business or transaction, for which any property remaining with BLMIS was an unreasonably small capital.

58. At the time BLMIS made each of the Two Year Transfers, BLMIS had incurred, was intending to incur, or believed that it would incur debts beyond its ability to pay them as the debts matured.

59. Each of the Two Year Transfers constitutes a fraudulent transfer avoidable by the Trustee pursuant to section 548(a)(1)(B) of the Bankruptcy Code and recoverable from the Defendants pursuant to section 550(a) of the Bankruptcy Code and section 78fff-2(c)(3) of SIPA.

60. As a result of the foregoing, pursuant to sections 548(a)(1)(B), 550(a), and 551 of the Bankruptcy Code and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Two Year Transfers, (b) directing that the Two Year Transfers be set aside, and (c) recovering the Two Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS.

COUNT THREE
FRAUDULENT TRANSFER – NEW YORK DEBTOR AND CREDITOR LAW §§ 276,
278 AND/OR 279, AND 11 U.S.C. §§ 544(b), 550(a) AND 551

61. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

62. At all times relevant to the Six Year Transfers, there have been and are one or more creditors who have held and still hold matured or unmatured unsecured claims against BLMIS that were and are allowable under section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e) of the Bankruptcy Code.

63. Each of the Six Year Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

64. Each of the Six Year Transfers was made by BLMIS with the actual intent to hinder, delay or defraud the creditors of BLMIS. BLMIS made each of the Six Year Transfers to or for the benefit of Defendants in furtherance of a fraudulent investment scheme.

65. As a result of the foregoing, pursuant to DCL sections 276, 278 and/or 279, sections 544(b), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Six Year

Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS.

COUNT FOUR
FRAUDULENT TRANSFER – NEW YORK DEBTOR AND CREDITOR LAW §§ 273,
278 AND/OR 279, AND 11 U.S.C. §§ 544(b), 550(a) AND 551

66. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of the Complaint as if fully rewritten herein.

67. At all times relevant to the Six Year Transfers, there have been and are one or more creditors who have held and still hold matured or unmatured unsecured claims against BLMIS that were and are allowable under section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e) of the Bankruptcy Code.

68. Each of the Six Year Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

69. BLMIS did not receive fair consideration for any of the Six Year Transfers.

70. BLMIS was insolvent, or became insolvent as a result of the Six Year Transfers.

71. As a result of the foregoing, pursuant to DCL sections 273, 278 and/or 279, sections 544(b), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS.

COUNT FIVE
FRAUDULENT TRANSFER – NEW YORK DEBTOR AND CREDITOR LAW §§ 274,
278 AND/OR 279, AND 11 U.S.C. §§ 544(b), 550(a), AND 551

72. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of the Complaint as if fully rewritten herein.

73. At all times relevant to the Six Year Transfers, there have been and are one or more creditors who have held and still hold matured or unmatured unsecured claims against BLMIS that were and are allowable under section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e) of the Bankruptcy Code.

74. Each of the Six Year Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

75. BLMIS did not receive fair consideration for any of the Six Year Transfers.

76. At the time BLMIS made each of the Six Year Transfers, BLMIS was engaged or was about to engage in a business or transaction for which the property remaining in its hands after each of the Six Year Transfers was an unreasonably small capital.

77. As a result of the foregoing, pursuant to DCL sections 274, 278 and/or 279, sections 544(b), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS.

COUNT SIX
FRAUDULENT TRANSFER – NEW YORK DEBTOR AND CREDITOR LAW §§ 275,
278 AND/OR 279, AND 11 U.S.C. §§ 544(b), 550(a), AND 551

78. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of the Complaint as if fully rewritten herein.

79. At all times relevant to the Six Year Transfers, there have been and are one or more creditors who have held and still hold matured or unmatured unsecured claims against BLMIS that were and are allowable under section 502 of the Bankruptcy Code or that were and are not allowable only under section 502(e) of the Bankruptcy Code.

80. Each of the Six Year Transfers constituted a conveyance by BLMIS as defined under DCL section 270.

81. BLMIS did not receive fair consideration for any of the Six Year Transfers.

82. At the time BLMIS made each of the Six Year Transfers, BLMIS had incurred, was intending to incur, or believed that it would incur debts beyond its ability to pay them as the debts matured.

83. As a result of the foregoing, pursuant to DCL sections 275, 278 and/or 279 and sections 544(b), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Defendants: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS.

COUNT SEVEN

**RECOVERY OF SUBSEQUENT TRANSFER – NEW YORK DEBTOR AND
CREDITOR LAW §§ 278 AND/OR 279 AND 11 U.S.C. §§ 544, 548, 550(a) AND 551**

84. To the extent applicable, the Trustee incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

85. Each of the Transfers is avoidable under sections 544 and 548 of the Bankruptcy Code, DCL sections 273, 274, 275 and/or 276 and section 78fff-2(c)(3) of SIPA.

86. On information and belief, the Subsequent Transfers were transferred by Defendants to Subsequent Transferee Defendants.

87. Each of the Subsequent Transfers was made directly or indirectly to Subsequent Transferee Defendants.

88. Subsequent Transferee Defendants are immediate or mediate transferees of the Subsequent Transfers from Defendants.

89. As a result of the foregoing and the avoidance of the within Transfers, pursuant to DCL sections 278 and/or 279, sections 544(b), 548(a), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA, the Trustee is entitled to a judgment against Subsequent Transferee Defendants: (a) avoiding and preserving the Subsequent Transfers, (b) directing that the Subsequent Transfers be set aside, and (c) recovering the Subsequent Transfers, or the value thereof, from Subsequent Transferee Defendants for the benefit of the estate of BLMIS.

WHEREFORE, the Trustee respectfully requests that this Court enter judgment in favor of the Trustee and against Defendants as follows:

i. On the First Claim for Relief, pursuant to sections 548(a)(1)(A), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Two Year Transfers, (b) directing that the Two Year Transfers be set aside, and (c) recovering the Two Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS;

ii. On the Second Claim for Relief, pursuant to sections 548(a)(1)(B), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Two Year Transfers, (b) directing that the Two Year Transfers be set aside, and (c) recovering the Two Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS;

iii. On the Third Claim for Relief, pursuant to DCL sections 276, 278 and/or 279, sections 544(b), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS;

iv. On the Fourth Claim for Relief, pursuant to DCL sections 273, 278 and/or 279, sections 544(b), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS;

v. On the Fifth Claim for Relief, pursuant to DCL sections 274, 278 and/or 279, sections 544(b), 550(a), and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Six Year Transfers, (b) directing the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS;

vi. On the Sixth Claim for Relief, pursuant to DCL sections 275, 278 and/or 279, sections 544(b), 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Six Year Transfers, (b) directing that the Six Year Transfers be set aside, and (c) recovering the Six Year Transfers, or the value thereof, from Defendants for the benefit of the estate of BLMIS;

vii. On the Seventh Claim for Relief as a result of the avoidance of the within Transfers, pursuant to DCL section 278 and/or 279, sections 544(b), 548, 550(a) and 551 of the Bankruptcy Code, and section 78fff-2(c)(3) of SIPA: (a) avoiding and preserving the Subsequent Transfers, (b) directing that the Subsequent Transfers be set aside, and (c) recovering the Subsequent Transfers, or the value thereof, from Subsequent Transferee Defendants for the benefit of the estate of BLMIS;

viii. On all Claims for Relief, pursuant to federal common law and N.Y. CPLR 5001 and 5004 awarding the Trustee prejudgment interest from the date on which the Transfers were received;

ix. On all Claims for Relief, establishment of a constructive trust over the proceeds of the Transfers in favor of the Trustee for the benefit of BLMIS' estate;

x. On all Claims for Relief, assignment of Defendants' income tax refunds from the United States, state and local governments paid on fictitious profits during the course of the scheme;

SPACE INTENTIONALLY BLANK

xi. On all Claims for Relief, awarding the Trustee all applicable interest, costs, and disbursements of this action; and

xii. On all Claims for Relief, granting Plaintiff such other, further, and different relief as the Court deems just, proper and equitable.

Date: November 12, 2010
New York, New York

Of Counsel:

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*Attorneys for Irving H. Picard, Trustee for the
Substantively Consolidated SIPA Liquidation
of Bernard L. Madoff Investment Securities
LLC and Bernard L. Madoff*

Exhibit A

BIMIS Account Name	BIMIS Account Number
L H RICH COMPANIES	1ZB250

Exhibit B

BJ.MIS ACCOUNT NO. 1ZB250 - L H RICH COMPANIES

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11
		<u>Transaction Amount</u>								
<u>Date</u>	<u>Transaction Description</u>	<u>Reported in Customer Statement</u>	<u>Cash Deposits</u>	<u>Cash Withdrawals</u>	<u>Transfers of Principal In</u>	<u>Transfers of Principal Out</u>	<u>Balance of Principal</u>	<u>90-Day Preferential Transfers</u>	<u>2-Year Fraudulent Transfers</u>	<u>6-Year Fraudulent Conveyances</u>
4/6/1995	CHECK WIRE	1,000,000	1,000,000	-	-	-	1,000,000	-	-	-
6/2/1997	CHECK WIRE	500,000	500,000	-	-	-	500,000	-	-	-
7/3/2000	CHECK	(250,000)	-	(250,000)	-	-	1,250,000	-	-	-
12/31/2004	CHECK WIRE	(500,000)	-	(500,000)	-	-	750,000	-	-	-
8/31/2005	CHECK WIRE	(1,000,000)	-	(1,000,000)	-	-	(250,000)	-	-	(250,000)
12/31/2006	CHECK WIRE	(2,000,000)	-	(2,000,000)	-	-	(2,250,000)	-	-	(2,000,000)
3/18/2008	CHECK WIRE	(1,800,000)	-	(1,800,000)	-	-	(4,050,000)	-	(1,800,000)	(1,800,000)
Total:			\$ 1,500,000	\$ (5,550,000)	\$ -	\$ -	\$ (4,050,000)	\$ -	\$ (1,800,000)	\$ (4,050,000)

Exhibit B

UNITED STATES BANKRUPTCY COURT
Southern District of New York

SECURITIES INVESTOR PROTECTION
CORPORATION,

Adv. Pro. No. 08-01789 (BRL)

Plaintiff-Applicant,

SIPA LIQUIDATION

v.
BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

(Substantively Consolidated)

Defendant.

In re:

BERNARD L. MADOFF,

Case No. 09-11893 (BRL)

Debtor.

IRVING H. PICARD, Trustee for the Liquidation
of Bernard L. Madoff Investment Securities LLC,

Adv. Pro. No. 10-05371 (BRL)

Plaintiff,

v.

L. H. RICH COMPANIES, N. R. INVESTMENT
ASSOCIATES, M. R. INVESTMENT
ASSOCIATES, JACK POLACK, and JAMES
POLACK,

Defendants.

AFFIDAVIT OF SERVICE

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

I, Patricia Malval declare:

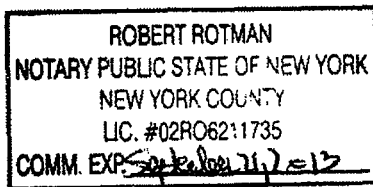
1. I am over the age of 18 years and not a party to these chapter 11 cases.
2. I am employed by Donlin, Recano & Company, Inc., 419 Park Avenue South, Suite 1206, New York, NY 10016.
3. On the 14th day of March, 2011, I caused a true and accurate copy of the:
 - (i) "Complaint", along with the relevant exhibits (Docket No. 1); and the
 - (ii) "Notice of Applicability of the Order Approving Case Management Procedures for Avoidance Actions" (Docket No. 2); and the
 - (iii) "Summons and Notice of Pretrial Conference in An Adversary Proceeding" (Docket No. 3); and the

- (iv) "Order (1) Establishing Litigation Case Management Procedures for Avoidance Actions and (2) Amending the February 16, 2010 Protective Order" dated November 11, 2010; and the
 - (v) "Avoidance Action Executive Summary Letter dated December 20, 2010"; and the
 - (vi) "Third Amended Notice of Omnibus Avoidance Action Hearing Dates",
- to be served upon the parties listed on Exhibit 1, attached hereto, via First Class US Mail.
4. Said documents were securely enclosed in postage prepaid envelopes and delivered to an office of the United States Postal Service for delivery by First Class Mail.
5. I declare under penalty of perjury that the foregoing is true and correct to the best of my personal knowledge. Executed this 14th day of March, 2011 at New York, New York.

By 
Patricia Malval

Sworn before me this
14th day of March, 2011


Notary Public



Date : 3/14/2011

Adv Pro No: 10-05371 (BRL)

Page # : 1

Exhibit 1

Redacted Version

L. H. RICH COMPANIES

L. H. RICH COMPANIES
MOLINE IL 61265

003864 008549

N. R. INVESTMENT ASSOCIATES

N. R. INVESTMENT ASSOCIATES
MOLINE IL 61265

003865 008550

M. R. INVESTMENT ASSOCIATES

M. R. INVESTMENT ASSOCIATES
MOLINE IL 61265

003866 008551

10-05371-brl Irving H. Picard, Trustee for the Liquidation of B v. L.H. Rich Companies et al
Case type: ap **Related bankruptcy:** Lead case not found **Judge:** Burton R. Lifland
Date filed: 12/09/2010 **Date of last filing:** 03/15/2011 **Date of last filing:** 03/15/2011

History

Doc. No.	Dates	Description
<u>1</u>	<i>Filed & Entered:</i> 12/09/2010	● Complaint
<u>2</u>	<i>Filed & Entered:</i> 12/09/2010	● Letter
--	<i>Filed & Entered:</i> 12/10/2010	● Add Judge
--	<i>Filed & Entered:</i> 12/10/2010	● Auto- docket of credit card
<u>3</u>	<i>Filed & Entered:</i> 03/11/2011	● Summons (60 Day Answer Deadline)
<u>4</u>	<i>Filed & Entered:</i> 03/15/2011	● Affidavit of Service

Exhibit C

STATE OF WASHINGTON
DEPARTMENT OF HEALTH

Public Health - Seattle & King County Vital Statistics

CERTIFIED COPY OF DEATH CERTIFICATE

LOCAL FILE NUMBER

328

CERTIFICATE OF DEATH

146

STATE FILE NUMBER

1. NAME First: JACK Middle: NMN Last: POLACK			2. SEX (M / F) Male		3. DEATH DATE (Mo., Day, Yr.) 01-12-1998	
4. AGE LAST BIRTHDAY (Yrs) 91 Yrs		5. UNDER 1 YEAR MOS DAYS HOURS MINS		6. UNDER 1 DAY MOS		7. BIRTHDATE (Mo., Day, Yr.) 10-15-1906
8. BIRTHPLACE (City, State or Foreign Country) Russia		9. WAS DECEDENT EVER IN U.S. ARMED FORCES? (Yes / No) Yes		10. COUNTY OF DEATH King		
11. CITY, TOWN OR LOCATION OF DEATH Seattle			12. PLACE OF DEATH— <input checked="" type="checkbox"/> BOX FOR PLACE THEN GIVE ADDRESS OR INSTITUTION NAME <input type="checkbox"/> HOME <input type="checkbox"/> IN TRANSPORT <input type="checkbox"/> EMERGENCY PTN. <input checked="" type="checkbox"/> X HOME <input type="checkbox"/> NUR HOME <input type="checkbox"/> OTHER PLACE Swedish Medical Center			13. SMOKING IN LAST 15 YEARS? (Yes / No) No
14. MARITAL STATUS—Married, Never Married, Widowed, Divorced (Specify) Never Married		15. SURVIVING SPOUSE (If wife, give maiden name)		16. SOCIAL SECURITY NO. REDACTED		17. DECEDENT'S EDUCATION (Specify only highest grade completed) Elementary/Secondary (0-12) 8 College (1-4 or 5-)
18. USUAL OCCUPATION (Give kind of work done during most of working life. DO NOT USE RETIRED) Business Owner		19. KIND OF BUSINESS OR INDUSTRY Poultry		20. Was Decedent of Hispanic origin or descent? (Ancestry) (Specify Yes or No. If Yes, specify Cuban, Mexican, Puerto Rican, etc.) (Yes / No) Specify: NO		21. RACE (Specify) Caucasian
22. RESIDENCE—NUMBER AND STREET 7500 Seward Park Ave S		23. CITY/TOWN OR LOCATION Seattle		24. INSIDE CITY LIMITS? (Yes / No) Yes		25. COUNTY King
26. LENGTH OF RES. IN CO. 70 Yrs		27. STATE WA		28. ZIP CODE 98118		
29. FATHER'S NAME—FIRST, MIDDLE, LAST Isaac Polikousky			30. MOTHER'S NAME—FIRST, MIDDLE, MAIDEN SURNAME Minda Unknown			
31. INFORMANT—NAME James Polack		32. MAILING ADDRESS 6521 - 57th Ave S		33. CITY OR TOWN Seattle		34. STATE WA
35. ZIP 98118		36. BIRTHPLACE (City, State or Foreign Country) Russia		37. WAS DECEDENT EVER IN U.S. ARMED FORCES? (Yes / No) Yes		38. COUNTY OF DEATH King
39. BURIAL, CREMATION, REMOVAL, OTHER (Specify) Burial		40. DATE (Mo., Day, Yr.) 01-14-1998		41. CEMETERY/CREMATORY—NAME Herzl Memorial Park		42. LOCATION—CITY/TOWN, STATE Shoreline, WA
43. FUNERAL DIRECTOR SIGNATURE <i>Richard [Signature]</i>		44. NAME OF FACILITY Seattle Jewish Chapel		45. ADDRESS OF FACILITY 5145 S. Morgan, Seattle, WA		
TO BE COMPLETED ONLY BY CERTIFYING PHYSICIAN			TO BE COMPLETED ONLY BY MEDICAL EXAMINER OR CORONER			
46. TO THE BEST OF MY KNOWLEDGE, DEATH OCCURRED AT THE TIME, DATE AND PLACE AND WAS DUE TO THE CAUSE(S) STATED. SIGNATURE AND TITLE <i>[Signature]</i> DATE SIGNED (Mo., Day, Yr.) January 14, 1998			47. ON THE BASIS OF EXAMINATION AND/OR INVESTIGATION, IN MY OPINION DEATH OCCURRED AT THE TIME, DATE AND PLACE AND WAS DUE TO THE CAUSE(S) STATED. SIGNATURE AND TITLE <i>[Signature]</i> DATE SIGNED (Mo., Day, Yr.) January 14, 1998			
48. HOUR OF DEATH (24 Hrs.) 16:17			49. HOUR OF DEATH (24 Hrs.) 16:17			
50. NAME AND TITLE OF ATTENDING PHYSICIAN IF OTHER THAN CERTIFIER (Type or Print) W. Hugh Maloney M.D. 515 Minor Ave #300 Seattle 98104			51. PRONOUNCED DEAD (Mo., Day, Yr.)			52. HOUR PRONOUNCED DEAD (24 Hrs.)
53. NAME AND ADDRESS OF CERTIFIER—PHYSICIAN, MEDICAL EXAMINER OR CORONER (Type or Print) W. Hugh Maloney M.D. 515 Minor Ave #300 Seattle 98104			54. ME/CORONER FILE NUMBER			
55. ENTER THE DISEASES, INJURIES, OR COMPLICATIONS WHICH CAUSED THE DEATH:						
IMMEDIATE CAUSE (Final disease or condition resulting in death).		A. CAUSATIVE HEART FAILURE		INTERVAL BETWEEN ONSET AND DEATH 5 YEARS		
DO NOT ENTER THE MODE OF DYING, SUCH AS CARDIAC OR RESPIRATORY ARREST, SHOCK, OR HEART FAILURE. LIST ONLY ONE CAUSE ON EACH LINE.		B. CORONARY ARTERY DISEASE		INTERVAL BETWEEN ONSET AND DEATH 10 YEARS		
Sequentially list conditions, if any, leading to immediate cause. Enter UNDERLYING CAUSE (Disease or injury which initiated events resulting in death) LAST.		C.		INTERVAL BETWEEN ONSET AND DEATH		
D.		E.		INTERVAL BETWEEN ONSET AND DEATH		
56. OTHER SIGNIFICANT CONDITIONS CONTRIBUTING TO DEATH BUT NOT RESULTING IN THE UNDERLYING CAUSE GIVEN ABOVE. Heart Failure						
57. ACC. SUICIDE, HOMICIDE, OR PENDING INVEST. (Specify)		58. INJURY DATE (Mo., Day, Yr.)		59. HOUR OF INJURY (24 Hrs.)		
60. INJURY AT WORK? (Yes / No)		61. PLACE OF INJURY—AT HOME, FARM, STREET, FACTORY, OFFICE, BLDG, ETC. (Specify)		62. DESCRIBE HOW INJURY OCCURRED:		
63. RECORD AMENDMENT (Registrar use only) ITEM DOCUMENTARY EVIDENCE REVIEWED BY DATE		64. REGISTRAR SIGNATURE <i>[Signature]</i>		65. DATE RECEIVED (Mo., Day, Yr.) JAN 15 1998		

DOH 01-003 (8/10)



Affidavits for Correction

Seattle-King County Health
1000 Broadway
Seattle, WA 98107-3001
(206) 462-4000

This is a legal document. Complete in ink and do not alter.

STATE OFFICE USE ONLY

State File Number: _____ Case Number: _____ Initials: _____ Date: _____ Affidavit Number: _____

Use the section below for requesting any changes on the record.

Record Type: ☒ Birth ☐ Death ☐ Marriage ☐ Dissolution

1. Name on record: _____ 2. Date of Event: _____ 3. Place of Event (city and state): _____

4. Father's Full Name: _____ 5. Mother's Full Name: _____

The Record is ☐ correct ☐ incomplete as follows:

The Record now shows:

The True fact is:

6. _____ 7. _____

8. _____ 9. _____

10. _____ 11. _____

12. _____ 13. _____

14. I represent the person as: ☐ Self ☐ Parent ☐ Guardian ☐ Informant ☐ Funeral Director ☐ Other (Specify): _____ Telephone Number: _____

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

15. Signature: _____ 16. Date: _____ 17. Address: _____

All vital records are registered as required. An item may be changed by affidavit only once. Subsequent changes must be made by court order.

All changes must be established by documentary proof submitted with the affidavit.

Examples of documentary proof: Certificate of Naturalization, School Certificate, Hospital Records, Voter's Registration Card (if it bears an effective date), Marriage/Divorce Records, Birth Record, Alien Registration Card (front and back), Driver's License, Social Security card or a hospital issued (or copies) birth certificate.

Birth Certificates:

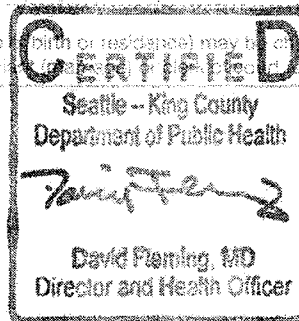
- Only a parent, legal guardian (if the child is under 18) or the adult themselves (if 18 or older) may change the birth certificate.
- The proof(s) must match exactly the asserted true fact(s). For example, if the affidavit says the name is Mary Ann Doe, then the proof must show the name to be Mary Ann (Dot), Mary A. Doe or M. A. Doe (ones and prove the name is Mary Ann Doe).
- Proof must be five (or more) years old or have been established within two years of birth.
- Up to age one, the parent(s) or legal guardian may change the child's last name with an affidavit for correction, provided:
 - This is a one time only change. Subsequent changes will require a certified copy of a court ordered name change.
 - The new last name may be the mother's maiden name or father's name (if present on the certificate) or any combination of the two.
 - After age one, last name changes require a certified copy of a court ordered name change. Minor spelling changes may be made with an affidavit and documentary proof.
- Parent(s) may change their child's first or middle name by completing and signing an affidavit for correction (until their child's 18th birthday).
- This affidavit cannot be used to add a father to a birth certificate. (Use the paternity affidavit - form DOM/CHS 001).

Death Certificates:

- Only the informant, the funeral director, or executor/administrators (if evidence confirming such position is presented) may change the non-medical information.
- The medical information (cause of death) may be changed only by the certifying physician or the coroner/medical examiner.
- If it is less than sixty days from date of death please contact the county health department where the death occurred to make changes.

Marriage/Dissolution (Divorce) Certificates:

- Personal fact(s) (minor spelling changes in name, date or place of birth or residence) may be changed by affidavit (with proof) by the person.
- To change the date or place of marriage or dissolution, the official (if record of dissolution) must sign the affidavit.



DOM/CHS 02-1-11-12

MAY 09 2011

UU00311898

Exhibit D

EXHIBIT A

Bernard L. Madoff Investment Securities, LLC

Summary of Defendants' Accounts Maintained with BLMIS

A/C#	Account Name	Opening Date
1FN005	Ascot Fund Ltd	January 2, 1992
1A0058	Ascot Partners LP	January 4, 1993
1FR070	Ariel Fund Ltd	August 2, 2000
1G0321	Gabriel Capital LP	August 2, 2000

EXHIBIT B

**Bernard L. Madoff Investment Securities, LLC
Summary of Cash Transfers to Defendants**

For the Period from 12/1/95 - 12/11/08					
A/C#	Account Name	Date	Transfer	Amount	
1A0058	ASCOT PARTNERS LP	12/28/1995	WIRE	\$	6,000,000
1A0058	ASCOT PARTNERS LP	12/30/1996	WIRE		1,600,000
1A0058	ASCOT PARTNERS LP	1/7/1997	WIRE		9,240,000
1A0058	ASCOT PARTNERS LP	1/10/1997	WIRE		1,000,000
1A0058	ASCOT PARTNERS LP	10/8/1997	WIRE		2,500,000
1A0058	ASCOT PARTNERS LP	12/30/1997	WIRE		6,000,000
1A0058	ASCOT PARTNERS LP	1/7/1998	WIRE		2,500,000
1A0058	ASCOT PARTNERS LP	12/2/2003	WIRE		5,000,000
1A0058	ASCOT PARTNERS LP	12/26/2003	WIRE		12,000,000
1A0058	ASCOT PARTNERS LP	12/23/2005	WIRE		25,000,000
1A0058	ASCOT PARTNERS LP	1/6/2006	WIRE		63,000,000
1A0058	ASCOT PARTNERS LP	4/4/2006	WIRE		76,000,000
1A0058	ASCOT PARTNERS LP	12/29/2006	WIRE		10,000,000
1A0058	ASCOT PARTNERS LP	12/31/2007	WIRE		175,000,000
1A0058	ASCOT PARTNERS LP	7/2/2008	WIRE		50,000,000
1A0058	ASCOT PARTNERS LP	10/1/2008	WIRE		45,000,000
SUBTOTAL				\$	489,840,000

1FN005	ASCOT FUND LTD	Dec-95	MONTHLY W/H AMT	\$	74,554
1FN005	ASCOT FUND LTD	Jan-96	MONTHLY W/H AMT		21,515
1FN005	ASCOT FUND LTD	Feb-96	MONTHLY W/H AMT		3,786
1FN005	ASCOT FUND LTD	Mar-96	MONTHLY W/H AMT		69,268
1FN005	ASCOT FUND LTD	Apr-96	MONTHLY W/H AMT		25,642
1FN005	ASCOT FUND LTD	May-96	MONTHLY W/H AMT		42,506
1FN005	ASCOT FUND LTD	Jun-96	MONTHLY W/H AMT		37,099
1FN005	ASCOT FUND LTD	Jul-96	MONTHLY W/H AMT		40,172
1FN005	ASCOT FUND LTD	Aug-96	MONTHLY W/H AMT		43,226
1FN005	ASCOT FUND LTD	Sep-96	MONTHLY W/H AMT		83,522
1FN005	ASCOT FUND LTD	Oct-96	MONTHLY W/H AMT		23,118
1FN005	ASCOT FUND LTD	Nov-96	MONTHLY W/H AMT		13,623
1FN005	ASCOT FUND LTD	Dec-96	MONTHLY W/H AMT		72,736
1FN005	ASCOT FUND LTD	12/30/1996	WIRE		1,200,000
1FN005	ASCOT FUND LTD	1/7/1997	WIRE		7,240,000
1FN005	ASCOT FUND LTD	Jan-97	MONTHLY W/H AMT		24,541
1FN005	ASCOT FUND LTD	Feb-97	MONTHLY W/H AMT		4,608
1FN005	ASCOT FUND LTD	Mar-97	MONTHLY W/H AMT		71,540
1FN005	ASCOT FUND LTD	Apr-97	MONTHLY W/H AMT		7,416
1FN005	ASCOT FUND LTD	May-97	MONTHLY W/H AMT		22,593
1FN005	ASCOT FUND LTD	Jun-97	MONTHLY W/H AMT		14,962
1FN005	ASCOT FUND LTD	Jul-97	MONTHLY W/H AMT		20,826
1FN005	ASCOT FUND LTD	Aug-97	MONTHLY W/H AMT		31,411
1FN005	ASCOT FUND LTD	Sep-97	MONTHLY W/H AMT		9,545
1FN005	ASCOT FUND LTD	Oct-97	MONTHLY W/H AMT		50,607
1FN005	ASCOT FUND LTD	Nov-97	MONTHLY W/H AMT		38,280

EXHIBIT B

**Bernard L. Madoff Investment Securities, LLC
Summary of Cash Transfers to Defendants**

For the Period from 12/1/95 - 12/11/08				
A/C#	Account Name	Date	Transfer	Amount
1FN005	ASCOT FUND LTD	Dec-97	MONTHLY W/H AMT	10,986
1FN005	ASCOT FUND LTD	Jan-98	MONTHLY W/H AMT	15,040
1FN005	ASCOT FUND LTD	Feb-98	MONTHLY W/H AMT	5,266
1FN005	ASCOT FUND LTD	Mar-98	MONTHLY W/H AMT	83,396
1FN005	ASCOT FUND LTD	4/13/1998	WIRE	26,000,000
1FN005	ASCOT FUND LTD	Apr-98	MONTHLY W/H AMT	6,878
1FN005	ASCOT FUND LTD	May-98	MONTHLY W/H AMT	42,803
1FN005	ASCOT FUND LTD	Jun-98	MONTHLY W/H AMT	64,524
1FN005	ASCOT FUND LTD	Jul-98	MONTHLY W/H AMT	41,122
1FN005	ASCOT FUND LTD	Aug-98	MONTHLY W/H AMT	34,451
1FN005	ASCOT FUND LTD	Sep-98	MONTHLY W/H AMT	1,858
1FN005	ASCOT FUND LTD	Oct-98	MONTHLY W/H AMT	6
1FN005	ASCOT FUND LTD	Nov-98	MONTHLY W/H AMT	8
1FN005	ASCOT FUND LTD	Dec-98	MONTHLY W/H AMT	11,635
1FN005	ASCOT FUND LTD	Jan-99	MONTHLY W/H AMT	13,325
1FN005	ASCOT FUND LTD	Feb-99	MONTHLY W/H AMT	12,275
1FN005	ASCOT FUND LTD	Mar-99	MONTHLY W/H AMT	53,707
1FN005	ASCOT FUND LTD	Apr-99	MONTHLY W/H AMT	21,295
1FN005	ASCOT FUND LTD	May-99	MONTHLY W/H AMT	2,542
1FN005	ASCOT FUND LTD	Jun-99	MONTHLY W/H AMT	54,057
1FN005	ASCOT FUND LTD	Jul-99	MONTHLY W/H AMT	14,070
1FN005	ASCOT FUND LTD	Aug-99	MONTHLY W/H AMT	21,576
1FN005	ASCOT FUND LTD	Sep-99	MONTHLY W/H AMT	38,318
1FN005	ASCOT FUND LTD	Oct-99	MONTHLY W/H AMT	55,100
1FN005	ASCOT FUND LTD	Nov-99	MONTHLY W/H AMT	38,374
1FN005	ASCOT FUND LTD	Dec-99	MONTHLY W/H AMT	26,996
1FN005	ASCOT FUND LTD	Jan-00	MONTHLY W/H AMT	4
1FN005	ASCOT FUND LTD	Feb-00	MONTHLY W/H AMT	20,935
1FN005	ASCOT FUND LTD	Mar-00	MONTHLY W/H AMT	73,400
1FN005	ASCOT FUND LTD	Apr-00	MONTHLY W/H AMT	21,165
1FN005	ASCOT FUND LTD	May-00	MONTHLY W/H AMT	8
1FN005	ASCOT FUND LTD	Jun-00	MONTHLY W/H AMT	46,602
1FN005	ASCOT FUND LTD	Jul-00	MONTHLY W/H AMT	1,440
1FN005	ASCOT FUND LTD	Aug-00	MONTHLY W/H AMT	16,671
1FN005	ASCOT FUND LTD	Sep-00	MONTHLY W/H AMT	27,241
1FN005	ASCOT FUND LTD	Oct-00	MONTHLY W/H AMT	37,034
1FN005	ASCOT FUND LTD	Nov-00	MONTHLY W/H AMT	45,653
1FN005	ASCOT FUND LTD	Dec-00	MONTHLY W/H AMT	1,876
1FN005	ASCOT FUND LTD	Jan-01	MONTHLY W/H AMT	2,189
1FN005	ASCOT FUND LTD	Feb-01	MONTHLY W/H AMT	32,506
1FN005	ASCOT FUND LTD	Mar-01	MONTHLY W/H AMT	70,751
1FN005	ASCOT FUND LTD	Apr-01	MONTHLY W/H AMT	29,943
1FN005	ASCOT FUND LTD	May-01	MONTHLY W/H AMT	43,865
1FN005	ASCOT FUND LTD	Jun-01	MONTHLY W/H AMT	132
1FN005	ASCOT FUND LTD	Jul-01	MONTHLY W/H AMT	72,549

EXHIBIT B

**Bernard L. Madoff Investment Securities, LLC
Summary of Cash Transfers to Defendants**

For the Period from 12/1/95 - 12/11/08				
A/C#	Account Name	Date	Transfer	Amount
1FN005	ASCOT FUND LTD	Aug-01	MONTHLY W/H AMT	54,654
1FN005	ASCOT FUND LTD	Sep-01	MONTHLY W/H AMT	35,556
1FN005	ASCOT FUND LTD	Oct-01	MONTHLY W/H AMT	122,115
1FN005	ASCOT FUND LTD	Nov-01	MONTHLY W/H AMT	95,784
1FN005	ASCOT FUND LTD	Dec-01	MONTHLY W/H AMT	101,023
1FN005	ASCOT FUND LTD	Jan-02	MONTHLY W/H AMT	6,676
1FN005	ASCOT FUND LTD	Feb-02	MONTHLY W/H AMT	77,323
1FN005	ASCOT FUND LTD	Mar-02	MONTHLY W/H AMT	126,742
1FN005	ASCOT FUND LTD	Apr-02	MONTHLY W/H AMT	143,647
1FN005	ASCOT FUND LTD	May-02	MONTHLY W/H AMT	102,834
1FN005	ASCOT FUND LTD	Jun-02	MONTHLY W/H AMT	126,093
1FN005	ASCOT FUND LTD	Jul-02	MONTHLY W/H AMT	23,679
1FN005	ASCOT FUND LTD	Aug-02	MONTHLY W/H AMT	57,797
1FN005	ASCOT FUND LTD	Sep-02	MONTHLY W/H AMT	181,542
1FN005	ASCOT FUND LTD	Oct-02	MONTHLY W/H AMT	16
1FN005	ASCOT FUND LTD	Nov-02	MONTHLY W/H AMT	39,302
1FN005	ASCOT FUND LTD	Dec-02	MONTHLY W/H AMT	98,042
1FN005	ASCOT FUND LTD	Jan-03	MONTHLY W/H AMT	0
SUBTOTAL				\$ 37,893,497

1FR070	ARIEL FUND LTD	Aug-00	MONTHLY W/H AMT	\$ 11
1FR070	ARIEL FUND LTD	Sep-00	MONTHLY W/H AMT	16
1FR070	ARIEL FUND LTD	Oct-00	MONTHLY W/H AMT	5,041
1FR070	ARIEL FUND LTD	Nov-00	MONTHLY W/H AMT	6,198
1FR070	ARIEL FUND LTD	Dec-00	MONTHLY W/H AMT	275
1FR070	ARIEL FUND LTD	Jan-01	MONTHLY W/H AMT	329
1FR070	ARIEL FUND LTD	Feb-01	MONTHLY W/H AMT	6,852
1FR070	ARIEL FUND LTD	Mar-01	MONTHLY W/H AMT	15,957
1FR070	ARIEL FUND LTD	Apr-01	MONTHLY W/H AMT	6,429
1FR070	ARIEL FUND LTD	May-01	MONTHLY W/H AMT	9,391
1FR070	ARIEL FUND LTD	Jun-01	MONTHLY W/H AMT	115
1FR070	ARIEL FUND LTD	Jul-01	MONTHLY W/H AMT	17,778
1FR070	ARIEL FUND LTD	Aug-01	MONTHLY W/H AMT	13,429
1FR070	ARIEL FUND LTD	Sep-01	MONTHLY W/H AMT	8,581
1FR070	ARIEL FUND LTD	Oct-01	MONTHLY W/H AMT	29,585
1FR070	ARIEL FUND LTD	Nov-01	MONTHLY W/H AMT	23,123
1FR070	ARIEL FUND LTD	Dec-01	MONTHLY W/H AMT	24,381
1FR070	ARIEL FUND LTD	Jan-02	MONTHLY W/H AMT	1,781
1FR070	ARIEL FUND LTD	Feb-02	MONTHLY W/H AMT	20,554
1FR070	ARIEL FUND LTD	Mar-02	MONTHLY W/H AMT	33,538
1FR070	ARIEL FUND LTD	Apr-02	MONTHLY W/H AMT	37,979
1FR070	ARIEL FUND LTD	May-02	MONTHLY W/H AMT	27,190
1FR070	ARIEL FUND LTD	Jun-02	MONTHLY W/H AMT	32,065
1FR070	ARIEL FUND LTD	Jul-02	MONTHLY W/H AMT	5,992

EXHIBIT B

**Bernard L. Madoff Investment Securities, LLC
Summary of Cash Transfers to Defendants**

For the Period from 12/1/95 - 12/11/08				
A/C#	Account Name	Date	Transfer	Amount
1FR070	ARIEL FUND LTD	Aug-02	MONTHLY W/H AMT	14,055
1FR070	ARIEL FUND LTD	Sep-02	MONTHLY W/H AMT	43,484
1FR070	ARIEL FUND LTD	Oct-02	MONTHLY W/H AMT	25
1FR070	ARIEL FUND LTD	Nov-02	MONTHLY W/H AMT	9,049
1FR070	ARIEL FUND LTD	Dec-02	MONTHLY W/H AMT	22,600
1FR070	ARIEL FUND LTD	Jan-03	MONTHLY W/H AMT	1,187
1FR070	ARIEL FUND LTD	Feb-03	MONTHLY W/H AMT	34,797
1FR070	ARIEL FUND LTD	Mar-03	MONTHLY W/H AMT	41,371
1FR070	ARIEL FUND LTD	Apr-03	MONTHLY W/H AMT	6,221
1FR070	ARIEL FUND LTD	May-03	MONTHLY W/H AMT	922
1FR070	ARIEL FUND LTD	Jun-03	MONTHLY W/H AMT	45,523
1FR070	ARIEL FUND LTD	Jul-03	MONTHLY W/H AMT	29,798
1FR070	ARIEL FUND LTD	Aug-03	MONTHLY W/H AMT	36,358
1FR070	ARIEL FUND LTD	Sep-03	MONTHLY W/H AMT	32,370
1FR070	ARIEL FUND LTD	Oct-03	MONTHLY W/H AMT	17,344
1FR070	ARIEL FUND LTD	Nov-03	MONTHLY W/H AMT	39,773
1FR070	ARIEL FUND LTD	Dec-03	MONTHLY W/H AMT	39,768
1FR070	ARIEL FUND LTD	Jan-04	MONTHLY W/H AMT	4,785
1FR070	ARIEL FUND LTD	Feb-04	MONTHLY W/H AMT	20,309
1FR070	ARIEL FUND LTD	Mar-04	MONTHLY W/H AMT	31,787
1FR070	ARIEL FUND LTD	Apr-04	MONTHLY W/H AMT	2,053
1FR070	ARIEL FUND LTD	May-04	MONTHLY W/H AMT	24,412
1FR070	ARIEL FUND LTD	Jun-04	MONTHLY W/H AMT	38,590
1FR070	ARIEL FUND LTD	Jul-04	MONTHLY W/H AMT	13,383
1FR070	ARIEL FUND LTD	Aug-04	MONTHLY W/H AMT	61
1FR070	ARIEL FUND LTD	Sep-04	MONTHLY W/H AMT	28,367
1FR070	ARIEL FUND LTD	Oct-04	MONTHLY W/H AMT	22,115
1FR070	ARIEL FUND LTD	Nov-04	MONTHLY W/H AMT	570
1FR070	ARIEL FUND LTD	Dec-04	MONTHLY W/H AMT	25,717
1FR070	ARIEL FUND LTD	Jan-05	MONTHLY W/H AMT	915
1FR070	ARIEL FUND LTD	Feb-05	MONTHLY W/H AMT	16,042
1FR070	ARIEL FUND LTD	Mar-05	MONTHLY W/H AMT	69,667
1FR070	ARIEL FUND LTD	Apr-05	MONTHLY W/H AMT	33,109
1FR070	ARIEL FUND LTD	May-05	MONTHLY W/H AMT	43
1FR070	ARIEL FUND LTD	Jun-05	MONTHLY W/H AMT	16,017
1FR070	ARIEL FUND LTD	Jul-05	MONTHLY W/H AMT	29,623
1FR070	ARIEL FUND LTD	Sep-05	MONTHLY W/H AMT	1,753
1FR070	ARIEL FUND LTD	Oct-05	MONTHLY W/H AMT	27,842
1FR070	ARIEL FUND LTD	Nov-05	MONTHLY W/H AMT	25,532
1FR070	ARIEL FUND LTD	Dec-05	MONTHLY W/H AMT	78,651
1FR070	ARIEL FUND LTD	Jan-06	MONTHLY W/H AMT	18,505
1FR070	ARIEL FUND LTD	Feb-06	MONTHLY W/H AMT	39,535
1FR070	ARIEL FUND LTD	Mar-06	MONTHLY W/H AMT	113,685
1FR070	ARIEL FUND LTD	Apr-06	MONTHLY W/H AMT	58,681
1FR070	ARIEL FUND LTD	May-06	MONTHLY W/H AMT	73,171

EXHIBIT B

**Bernard L. Madoff Investment Securities, LLC
Summary of Cash Transfers to Defendants**

For the Period from 12/1/95 - 12/11/08				
A/C#	Account Name	Date	Transfer	Amount
1FR070	ARIEL FUND LTD	Jun-06	MONTHLY W/H AMT	111,315
1FR070	ARIEL FUND LTD	Jul-06	MONTHLY W/H AMT	39,474
1FR070	ARIEL FUND LTD	Aug-06	MONTHLY W/H AMT	34,144
1FR070	ARIEL FUND LTD	Sep-06	MONTHLY W/H AMT	121,270
1FR070	ARIEL FUND LTD	Oct-06	MONTHLY W/H AMT	50,855
1FR070	ARIEL FUND LTD	Nov-06	MONTHLY W/H AMT	28,977
1FR070	ARIEL FUND LTD	Dec-06	MONTHLY W/H AMT	179,390
1FR070	ARIEL FUND LTD	Jan-07	MONTHLY W/H AMT	56,400
1FR070	ARIEL FUND LTD	Feb-07	MONTHLY W/H AMT	21
1FR070	ARIEL FUND LTD	Mar-07	MONTHLY W/H AMT	78,287
1FR070	ARIEL FUND LTD	Apr-07	MONTHLY W/H AMT	74,535
1FR070	ARIEL FUND LTD	May-07	MONTHLY W/H AMT	48,815
1FR070	ARIEL FUND LTD	Jun-07	MONTHLY W/H AMT	205,980
1FR070	ARIEL FUND LTD	Jul-07	MONTHLY W/H AMT	34,487
1FR070	ARIEL FUND LTD	Aug-07	MONTHLY W/H AMT	12,683
1FR070	ARIEL FUND LTD	Sep-07	MONTHLY W/H AMT	45,275
1FR070	ARIEL FUND LTD	Oct-07	MONTHLY W/H AMT	28,361
1FR070	ARIEL FUND LTD	Nov-07	MONTHLY W/H AMT	9,370
1FR070	ARIEL FUND LTD	Dec-07	MONTHLY W/H AMT	36,240
1FR070	ARIEL FUND LTD	Jan-08	MONTHLY W/H AMT	4,119
1FR070	ARIEL FUND LTD	Feb-08	MONTHLY W/H AMT	11,381
1FR070	ARIEL FUND LTD	Mar-08	MONTHLY W/H AMT	123,989
1FR070	ARIEL FUND LTD	Apr-08	MONTHLY W/H AMT	48,738
1FR070	ARIEL FUND LTD	May-08	MONTHLY W/H AMT	46,423
1FR070	ARIEL FUND LTD	Jun-08	MONTHLY W/H AMT	126,053
1FR070	ARIEL FUND LTD	7/7/2008	WIRE	16,200,000
1FR070	ARIEL FUND LTD	Jul-08	MONTHLY W/H AMT	42
1FR070	ARIEL FUND LTD	Aug-08	MONTHLY W/H AMT	15,648
1FR070	ARIEL FUND LTD	Sep-08	MONTHLY W/H AMT	170,850
1FR070	ARIEL FUND LTD	Oct-08	MONTHLY W/H AMT	19,413
1FR070	ARIEL FUND LTD	Nov-08	MONTHLY W/H AMT	3
SUBTOTAL				\$ 19,518,697
1G0321	GABRIEL CAPITAL LP	7/7/2008	WIRE	\$ 17,400,000
SUBTOTAL				\$ 17,400,000
GRAND TOTAL				\$ 564,652,194

EXHIBIT C

**Bernard L. Madoff Investment Securities, LLC
Summary of Cash Transfers between Defendants**

For the Period from 12/1/95 – 12/11/08				
A/C#	Account Name	Date	Transferor Account	Amount
1FR070	ARIEL FUND LTD	7/25/2001	ASCOT PARTNERS LP	\$ 1,600,000
1FR070	ARIEL FUND LTD	7/14/2004	ASCOT PARTNERS LP	19,400,000
1FR070	ARIEL FUND LTD	1/5/2006	ASCOT PARTNERS LP	38,000,000
1FR070	ARIEL FUND LTD	1/4/2007	ASCOT PARTNERS LP	18,500,000
SUBTOTAL				<u>\$ 77,500,000</u>

For the Period from 12/1/95 – 12/11/08				
A/C#	Account Name	Date	Transferor Account	Amount
1FR070	ARIEL FUND LTD	10/15/2001	ASCOT FUND LTD	\$ 7,100,000
SUBTOTAL				<u>\$ 7,100,000</u>

For the Period from 12/1/95 – 12/11/08				
A/C#	Account Name	Date	Transferor Account	Amount
1FR070	ARIEL FUND LTD	1/3/2008	GABRIEL CAPITAL LP	\$ 38,000,000
SUBTOTAL				<u>\$ 38,000,000</u>

For the Period from 12/1/95 – 12/11/08				
A/C#	Account Name	Date	Transferor Account	Amount
1A0058	ASCOT PARTNERS LP	1/23/2002	ARIEL FUND LTD	\$ 800,000
1A0058	ASCOT PARTNERS LP	7/15/2002	ARIEL FUND LTD	6,700,000
1A0058	ASCOT PARTNERS LP	4/15/2003	ARIEL FUND LTD	11,300,000
1A0058	ASCOT PARTNERS LP	1/8/2003	ARIEL FUND LTD	6,500,000
1A0058	ASCOT PARTNERS LP	7/3/2003	ARIEL FUND LTD	8,000,000
1A0058	ASCOT PARTNERS LP	10/7/2003	ARIEL FUND LTD	12,000,000
1A0058	ASCOT PARTNERS LP	1/5/2004	ARIEL FUND LTD	14,200,000
1A0058	ASCOT PARTNERS LP	8/2/2004	ARIEL FUND LTD	6,000,000
SUBTOTAL				<u>\$ 65,500,000</u>

For the Period from 12/1/95 – 12/11/08				
A/C#	Account Name	Date	Transferor Account	Amount
1A0058	ASCOT PARTNERS LP	1/23/2002	GABRIEL CAPITAL LP	\$ 3,700,000
1A0058	ASCOT PARTNERS LP	7/15/2002	GABRIEL CAPITAL LP	200,000
1A0058	ASCOT PARTNERS LP	1/8/2003	GABRIEL CAPITAL LP	19,500,000

For the Period from 12/1/95 – 12/11/08				
A/C#	Account Name	Date	Transferor Account	Amount
1A0058	ASCOT PARTNERS LP	4/15/2003	GABRIEL CAPITAL LP	10,700,000
1A0058	ASCOT PARTNERS LP	7/3/2003	GABRIEL CAPITAL LP	13,000,000
1A0058	ASCOT PARTNERS LP	10/7/2003	GABRIEL CAPITAL LP	6,000,000
1A0058	ASCOT PARTNERS LP	1/5/2004	GABRIEL CAPITAL LP	5,800,000
1A0058	ASCOT PARTNERS LP	8/2/2004	GABRIEL CAPITAL LP	5,000,000
SUBTOTAL				\$ 63,900,000

For the Period from 12/1/95 – 12/11/08				
A/C#	Account Name	Date	Transferor Account	Amount
1FN005	ASCOT FUND LTD	7/15/2002	GABRIEL CAPITAL LP	\$ 400,000
SUBTOTAL				\$ 400,000

For the Period from 12/1/95 – 12/11/08				
A/C#	Account Name	Date	Transferor Account	Amount
1G0321	GABRIEL CAPITAL LP	10/8/2002	ARIEL FUND LTD	\$ 500,000
1G0321	GABRIEL CAPITAL LP	7/14/2005	ARIEL FUND LTD	8,400,000
SUBTOTAL				\$ 8,900,000

For the Period from 12/1/95 – 12/11/08				
A/C#	Account Name	Date	Transferor Account	Amount
1G0321	GABRIEL CAPITAL LP	7/25/2001	ASCOT PARTNERS LP	\$ 1,400,000
1G0321	GABRIEL CAPITAL LP	10/15/2001	ASCOT PARTNERS LP	2,600,000
1G0321	GABRIEL CAPITAL LP	12/31/2002	ASCOT PARTNERS LP	4,400,000
1G0321	GABRIEL CAPITAL LP	7/14/2004	ASCOT PARTNERS LP	20,600,000
1G0321	GABRIEL CAPITAL LP	1/5/2006	ASCOT PARTNERS LP	59,000,000
1G0321	GABRIEL CAPITAL LP	7/7/2006	ASCOT PARTNERS LP	26,000,000
1G0321	GABRIEL CAPITAL LP	1/4/2007	ASCOT PARTNERS LP	26,500,000
SUBTOTAL				\$ 140,500,000

For the Period from 12/1/95 – 12/11/08				
A/C#	Account Name	Date	Transferor Account	Amount
1G0321	GABRIEL CAPITAL LP	10/15/2001	ASCOT FUND LTD	\$ 7,300,000
SUBTOTAL				\$ 7,300,000

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES, LLC,

Defendant.

:
: Adv. Pro. No. 08-01789 (BRL)

:
: SIPA LIQUIDATION

:
: (Substantively Consolidated)

:
: **AFFIDAVIT OF SERVICE**

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In re:

BERNARD L. MADOFF,

Debtor.

-----X
IRVING H. PICARD, Trustee for the Liquidation
of Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

L.H. RICH COMPANIES, N.R. INVESTMENT
ASSOCIATES, M.R. INVESTMENT
ASSOCIATES, JACK POLACK, and JAMES
POLACK,

Defendants.

:
: Adv. Pro. No. 10-05371 (BRL)

-----X
STATE OF NEW YORK)

COUNTY OF NEW YORK) ss.:

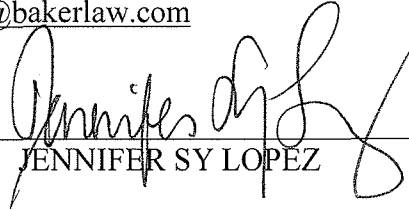
JENNIFER SY LOPEZ, being duly sworn, deposes and says:

I am employed by the firm of GARVEY SCHUBERT BARER, attorneys for Defendants L.H. Rich Companies, N.R. Investment Associates, M.R. Investment Associates, Jack Polack, and James Polack; I am not a party to the above action; I am over 18 years of age and reside at Staten Island, New York. On May 10, 2011, I served the within **NOTICE OF MOTION, STERN AFFIDAVIT AND GOODMAN AFFIDAVIT (and Exhibits thereto) IN SUPPORT OF MOTION TO DISMISS COMPLAINT PURSUANT TO RULE 12(b)** via EMAIL TRANSMISSION and FEDERAL EXPRESS at the following address:

Marc E. Hirschfield, Richard J. Bernard,
Geraldine E. Ponto, David J. Sheehan, Marc Skapof, Esqs.
BAKER & HOSTETLER LLP

45 Rockefeller Plaza
New York, New York 10111

mhirschfield@bakerlaw.com; dsheehan@bakerlaw.com; rbernard@bakerlaw.com;
gponto@bakerlaw.com; mskapof@bakerlaw.com


JENNIFER SY LOPEZ

Sworn to before me this
10 day of May 2011



Notary Public

Michael Kalmus
Notary Public, State of New York
No.02KA6171197
Qualifies in New York County
Commission Expires July 23, 2011